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C O N F I D E N T I A L SECTION 01 OF 03 HAVANA 000168

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TAGS: [ECON](#) [PREL](#) [PGOV](#) [CU](#)

SUBJECT: CUBA WEIGHS IN ON "CAPITALIST" CRISIS

REF: A. HAVANA 140/150/153

[1](#)B. TEGUCIGALPA 149

Classified By: COM Jonathan Farrar for reasons 1.4 (b) and (d)

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SUMMARY  
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[1](#)1. (C) Fidel Castro and the Cuban Government took advantage of an annual international conference of economists to congratulate themselves on long predicting the inevitable doom of capitalism. The well attended conference, including Central American presidents and Nobel laureate economists, resulted in nothing more than a plea for the United Nations (versus the G-20) to take charge of analyzing and resolving the international financial crisis, and, of course, an open letter to President Obama to denounce the embargo and call for the release of the Cuban Five. Ironically, the March 2 cabinet shake-up primarily affecting economic ministries hinted that President Raul Castro is not too impressed with the status of the Cuban economy either. End Summary

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CONFERENCE OF INTERNATIONAL ECONOMISTS  
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[1](#)2. (SBU) Over 1,000 economists and specialists from 52 countries and 21 international or regional organizations attended the XI International Conference of Economists on Globalization and Development Problems in Havana from March 2 to 6. The conference was hosted by the Association of Latin American and Caribbean Economists (AEALC) and the Cuban National Association of Economists and Accountants (ANEC).

[1](#)3. (C) Headlining the event were the presidents of the Dominican Republic and Honduras, plus three Nobel laureate economists (Edmund Phelps, Robert Mundell, and Robert Engle). Other scheduled keynote speakers included Venezuelan Economic and Finance Minister Ali Rodriguez Araque, Ecuador Finance Minister Maria Elsa Viteri, Andy Wolfe from the IMF, Luiz Pereira Da Silva from the World Bank, several regional central bank officials, and even Fidel Castro's oldest son Fidel Castro Diaz Balart who is currently Science and Technology Advisor to the Council of State. (Note: Econoff registered and attended the opening session, but was refused entry on day two and was refunded his entire registration fee. The conference organizers stated that our attendance required permission from the Cuban Ministry of Foreign

Relations (MINREX). We had in fact sent a diplomatic note on January 29 requesting MINREX assistance in registering for the conference, but never received a reply. End Note.)

14. (C) Robert Verrier Castro, president of ANEC and vice-president of AEALC, opened and closed the conference by urging a critical analysis of the "capitalist crisis" by the United Nations, "so the plans designed by the elites of power or the rich nations can not be imposed on the world." Chairing the opening session and most of the first four days was First Vice President Jose Ramon Machado Ventura. Also in attendance were Cuban Vice President Esteban Lazo and other Communist Party leaders, however, no economic ministers were noted. In fact, minutes before the kick-off of the opening session the Government of Cuba (GOC) announced a major cabinet restructuring that mainly affected the economic ministries (ref A). Four days later, New Economy and Planning Minister Marino Murillo and new Finance and Prices Minister Lina Pedraza chaired the closing session. (COMMENT: Both Murillo and Pedraza are considered technocrats, as are the new ministers of Food/Fishing, Labor/Social Security, and Domestic Trade. END COMMENT.) Neither Machado nor any Cuban minister spoke at the event. President Raul Castro did not attend any part of the conference.

15. (C) Nobel Laureate Edmund Phelps told us that his goal at this type of event is to introduce new ideas to at least one person. Phelps teaches and runs the Center on Capitalism and Society at Columbia University. The few Cuban economists he is able to meet at these conferences (he also attended in 2003 and 2004) are usually open to hearing what Phelps described as his rather moderate, but certainly capitalist,

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point of view. The Cuban economists appear to have access to western economic research, but are not encouraged to explore alternative economic models to socialism. Phelps identified his harshest critics as the leftist economists and academics from other countries like Argentina and France. Phelps' opening speech on Altruism and Social Responsibility was attacked, particularly by the president of the Third World Forum Samir Amin (Egypt), for assigning part of the blame for the current financial crisis on the "victims", i.e. homeowners (shared with the banks, Treasury, Congress, regulators, and several others). Cuban press reporting on the opening session agreed with Amin by specifically stating that the victims are not responsible for this crisis. (COMMENT: The idea that any victims (homeowners, developing countries, Cuba) may not be entirely innocent is irreconcilable with the need to assign all blame for this and every other crisis to evil capitalists and the empire to the north. END COMMENT.)

16. (SBU) On the last day of the conference, the delegates produced two documents: First, an open letter to President Obama asking that he end the "absurd economic, commercial, and financial blockade...over a small but dignified country" and intercede to liberate the Cuban Five; Second, a declaration calling the High Level Conference convoked by UN General Assembly president Miguel D'Escoto on June 1-4 as the only suitable and legitimate forum for an inclusive process to analyze and look for solutions to the international crisis. In particular, the UN conference ought to promote a "progressive" exit from the crisis to include a solution to global inequalities, a reversal of the perverse distribution of income, the recuperation of the role of credit to promote development, and the restructure of the international financial and commercial institutions to mark a "redesign of the current economic order."

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FIDEL'S INPUT  
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17. (SBU) Former president Fidel Castro launched the first Havana annual conference of international economists in 1999.

Throughout the conference, Cuban speakers recalled with much delight Fidel's many years of warning that the world was under the threat of neo-liberal globalization, under which it would not survive for long. Before he fell ill in 2006, Fidel personally presided over prior conferences and regularly engaged in the debates. This year, his participation was limited to several long "Reflexiones" on his meetings with Dominican President Fernandez, Honduran President Zelaya, and Argentine Professor Atilio Boron. The following week, he continued with two more "Reflexiones" on the financial crisis, mostly quoting from the international media (ironically, not accessible to regular Cubans) on the dire state of the international economic system.

18. (SBU) In between musings on the contribution of Dominicans to the Cuban revolution, Fidel wrote that Fernandez sees "capitalism (as) a system that oozes poisonous toxins through every single pore." Regarding Zelaya (ref B), Fidel said he "is a man who suffers profoundly over the abuses of the empire." In place of his own review of the international economic situation, Fidel quoted extensively from Boron who wrote that the current "capitalist" crisis will be more widespread than the Great Depression of 1929 and the Long Depression of 1873. Without a hint of irony in a country dominated by state-monopolies, Boron describes a conspiracy in which the dominant classes seek to use public resources to rescue and protect the "great oligarchic-monopolies." Roberto Verrier Castro said in the conference's closing remarks that Fidel's reflections were "noted and debated by the experts and have already opened the road to new analysis and proposals."

19. (SBU) The week following the conference, Fidel wrote two reflections on "Capitalism's anguish" that largely quoted articles from Reuters, EFE, AFP, other international media on the impact of the crisis in Latin America and the rest of the developing world. He highlighted comments from economists Joseph Stiglitz (who attended the Cuban conference in 2008),

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Jeffrey Sachs, and Jeffrey Miron. Fidel wrote that Washington and New York do not offer any hope to the developing world.

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COMMENTS  
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110. (C) Despite the high profile attendees, the international press in Cuba reported very little from the conference as there was very little new to report. Verrier insisted in his closing remarks that what was said over the week was not merely "more of the same," although he admitted that Fidel Castro had been saying it for years. Cuba, Fidel Castro, and their like-minded friends are enjoying every opportunity to say "we told you so" regarding the imperfections of the capitalist system. Regarding his meeting with Zelaya, Fidel wrote that four years (the term of the Honduran presidency) does not give the leader of a country "even a second to achieve an efficient state..." Since the official reason for this month's cabinet shake-up in Cuba was to create a more "compact and functional" government, it appears that 50 years is not enough time either.  
FARRAR